

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In Re:	Case No.: 25-30004
	Chapter 11
The Ruins, LLC, Debtor.	

AFFIDAVIT OF CHARLES AARESTAD

RE: THIRD RUINS NOTE

STATE OF MINNESOTA)
) SS
COUNTY OF NORMAN)

I, Charles Aarestad, hereby state and declare as follows:

1. I am a Sr. Vice President at Red River State Bank ("RRSB" or "Creditor"). I have held my current position since 2011.

2. I hold a bachelor's degree in Agricultural Economics from North Dakota State University. I have also attended the Graduate School of Banking at the University of Wisconsin-Madison.

3. I am personally familiar with the loan history between RRSB and The Ruins, LLC (the "Debtor") and have reviewed bank statements, transaction receipts, deposits, and checks of the Debtor and Craig Development, LLC, and Craig Properties LLC's bank account at First Community Credit Union ("FCCU") which were obtained through a subpoena issued in the Debtor's Chapter 11 bankruptcy case.

The Third Ruins Note

4. RRSB's three (3) loans to Debtor (collectively, the "RRSB Notes") are described in Amended Proof of Claim No. 1 filed by RRSB in the Debtor's bankruptcy case (the "Amended RRSB POC"). This Affidavit concerns the instrument referred to in the Amended RRSB POC and hereinafter as the "Third Ruins Note."

5. Debtor, Craig Development, LLC, Craig Holdings, LLC, Craig Properties, LLC, and Jesse Craig made in favor of, executed, and delivered to RRSB a Promissory Note dated February 17, 2023, in the original principal sum of \$600,000.00 ("Third Ruins Note"). The maturity date of the Third Ruins Note was December 30, 2023. Interest accrued on the unpaid principal balance at a rate of 7.750% per annum. Pursuant to the Third Ruins Note, the repayment obligation was as follows:

- a. Four (4) monthly consecutive principal and interest payments of \$25,000 with interest calculated on the unpaid principal balance each from March 31, 2023, through June 30, 2023.
- b. Five (5) monthly consecutive principal and interest payments of \$87,920.85 each from July 30, 2023, through November 30, 2023.
- c. One (1) final principal and interest payment on December 30, 2023, comprised of all principal and accrued interest not yet paid, a sum estimated to be \$87,920.84 if all payments were made exactly as scheduled.

A true and correct copy of the Third Ruins Note is attached as Exhibit A and incorporated by reference.

Disbursement of Loan Proceeds

6. Pursuant to the Loan Disbursement Request and Authorization contemporaneously executed by the Debtor, Craig Development, LLC, Craig Holdings, LLC,

Craig Properties, LLC, and Jesse Craig (“Third Ruins DRA”), loan proceeds for the Third Ruins Note were authorized for disbursement as follows:

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$600,000.00 as follows:

Amount paid to Borrower directly:	\$600,000.00
\$600,000.00 Lender's Check # VIA CASHIER'S CHECK PAYABLE TO CRAIG DEVELOPMENT LLC for Payable to RUINS Project Costs	

Note Principal:	\$600,000.00
-----------------	--------------

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$0.00
Other Charges Paid in Cash: \$1,380.00 Mortgage Registration Tax	\$1,380.00

Total Charges Paid in Cash:	\$1,380.00
-----------------------------	------------

A true and correct copy of the Third Ruins DRA is attached as Exhibit B and incorporated by reference.

7. On February 17, 2023, the entirety of the Third Ruins Note loan proceeds in the sum of \$600,000.00 was paid by RRSB to Craig Development, LLC pursuant to Cashier's Check No. 102052 dated February 17, 2023, and included the notation “Ruins Project Costs”. A true and correct copy of RRSB Cashier's Check No. 102052 dated February 17, 2023, is attached as Exhibit C and incorporated by reference.

8. On February 17, 2023, the above-mentioned Cashier's Check was deposited in the Craig Development, LLC/Jesse Craig Account ending in -1711 at First Community Credit Union (the “FCCU Craig Dev./Jesse Account”). A true and correct copy of an FCCU Account Transaction Receipt dated February 17, 2023, and an FCCU Craig Dev./Jesse Account Statement dated February 28, 2023 (See p. 2), each memorializing the disbursement of the Third Ruins Note, are attached as Exhibit D and incorporated by reference.

Payment History

9. Five (5) payments for the Third Ruins Note were received and applied to the outstanding balance of the Third Ruins Note as follows:

Payment No.	Payment Description	Exhibit Description	Exhibit No.
1	Payment of \$25,000.00 was received on April 17, 2023. \$7,516.44 was applied to accrued interest, and \$17,483.56 to principal.	Craig Development, LLC's Check No. 11750 in the sum of \$25,000.00; and RRSB Loan Credit Slip dated April 17, 2023.	E-1, F & G
2	Payment of \$25,000.00 was received on June 8, 2023. \$6,431.62 was applied to accrued interest, and \$18,568.38 to principal.	Craig Development, LLC's Check No. 12039 in the sum of \$25,000.00; and RRSB Loan Credit Slip dated June 8, 2023.	E-2, F & G
3	Payment of \$25,000.00 was received on July 24, 2023. \$5,508.15 was applied to accrued interest, and \$19,491.85 to principal.	Craig Development, LLC's Check No. 12206 in the sum of \$25,000.00; and RRSB Loan Credit Slip dated July 24, 2023.	E-3, F & G
4	Payment of \$25,000.00 was received on August 22, 2023. \$3,352.51 was applied to accrued interest, and \$21,647.49 to principal.	Craig Development, LLC's Check No. 12249; and RRSB Loan Credit slip dated August 22, 2023.	E-4, F & G
5	Payment of \$25,000.00 was received on September 20, 2023. \$3,219.21 was applied to accrued interest, and \$21,780.79 to principal.	Craig Development, LLC's Check No. 12249; and RRSB Loan Department Credit slip dated August 22, 2023.	E-5, F & G

No further payments have been made by the Debtor towards the outstanding balance of the Third Ruins Note.

10. An Inquiry Statement for the Third Ruins Note generated by RRSB's computer system is attached as Exhibit F and incorporated by reference. The Inquiry Statement does not include a running balance; it only identifies advances on the loan, late fees accrued, and payments applied.

11. An Excel spreadsheet showing the accrual of interest and late fees, and the application of all payments received by RRSB for the Third Ruins Note is attached as Exhibit G and incorporated by reference.

12. Additionally, the table below, which confirms the outstanding balance of the Third Ruins Note, was appended to the Amended RRSB POC filed September 11, 2025.

Indebtedness:

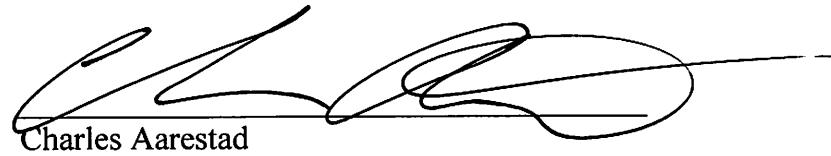
The following sums are due and owing to RRSB with respect to the Ruins Notes as of January 6, 2025:

NOTE	BALANCE	PER DIEM INTEREST ACCRUAL
First Ruins Note	\$8,169,647.92	\$900.66
Second Ruins Note	\$2,911,499.84	\$346.47
Third Ruins Note	\$ 577,183.49	\$106.38
Total due under the Ruins Notes together with interest accruing from and after January 6, 2025, excluding* costs and attorneys' fees incurred:	<u>\$11,658,331.25</u>	

See Amended RRSB POC, p. 6.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 12 day of September, 2025.



Charles Aarestad

Subscribed and sworn to before me this 12th day of September, 2025.



Lori Ann Moen

Notary Public

